

SECRET

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON 25, D. C.

OMB Waiver Letter In ERU File

My dear Mr. Dulles:

Your budget estimate for the fiscal year 1955 and the information presented by your representatives from the Central Intelligence Agency have been given careful analysis. I have approved the inclusion in the Budget of the following recommendation for your agency's appropriation:

25X1A

The foregoing budget allowance again recognizes the need for a contingency reserve since cover requirements would make it difficult to seek a supplemental appropriation in fiscal year 1955. This reserve, in the amount of [REDACTED] is allowed with the understanding that you will request your committees to remove the fiscal year limitation from the funds appropriated for your reserve. Without this limitation, the entire reserve amount would no longer have to be appropriated each year, but only any difference between the new reserve allowance and the balance in the prior year. Also, the Government's expenditure figure would no longer be overstated by the amount of the reserve. It might be possible to use existing reserve funds on a "no-year" basis so that your 1955 appropriation could be reduced by the amount of the reserve request. I would not object to any arrangements to this end that you might make which have the concurrence of Congress and Budget Bureau staff.

25X1A

In the past, it has been our policy to consider reserve releases only for activities not in the original budget submission. The allowance does not provide for any of the unvouchered projects proposed in your B list. Since many of these projects may materialize with high priority in 1955, I wish to inform you that their inclusion in the 1955 B list will not disqualify them from consideration for financing from the reserve.

This recommendation and any related information should not be discussed with the members or staffs of the committees on appropriations until the budget message is presented to Congress, or unless you are advised that the Bureau of the Budget has released the estimates containing your request.

Sincerely yours,

[Signature]
Director

Document No. _____
Review of this document by CIA has determined that

- ☐ CIA has no objection to declass
- ☐ It contains information of CIA interest that must remain

Authority: HR 70-2

- ☐ It contains nothing of CIA interest

Honorable Allen W. Dulles
Director, Central Intelligence Agency
Washington 25, D. C.

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Date 12/03/81